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Study of State Labs at MSU Bozeman Interim Committee

65th Montana Legislature

SENATE MEMBERS

FREDERICK (ERIC) MOORE
GORDON VANCE
LEA WHITFORD

HOUSE MEMBERS

BRADLEY MAXON HAMLETT
KELLY MCCARTHY
KERRY WHITE

COMMITTEE STAFF

SHAUNA ALBRECHT, Lead Staff

MINUTES LOG

September 29, 2017
Room 137, Capitol Building
Helena, Montana

Please note: This document is a Minutes Log and provides a notation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video record of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <http://leg.mt.gov>. On the left-side menu of the home page, select Committees, then Interim. Once on the page for Interim Committees, scroll down to the appropriate committee. The written Minutes Log, along with the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed.

Please contact the Legislative Services Division at 406-444-3064 for more information.

COMMITTEE MEMBERS PRESENT

REP. KERRY WHITE, Chair
REP. BRADLEY MAXON HAMLETT, Vice Chair
SEN. TOM FACEY
REP. KELLY MCCARTHY

COMMITTEE MEMBERS EXCUSED/ABSENT

SEN. FREDERICK (ERIC) MOORE
SEN. GORDON VANCE

STAFF PRESENT

SHAUNA ALBRECHT, Lead Staff
LAURA SHERLEY, Secretary

VISITORS' LIST ([Attachment 1](#))

AGENDA ([Attachment 2](#))

COMMITTEE ACTIONS

CALL TO ORDER AND ROLL CALL

- 00:00:02 Rep. White called the meeting to order at 10:23 a.m. The committee secretary took roll ([Attachment 3](#)). Senators Moore and Vance were excused.
- 00:00:45 Rep. White informed the committee and public that due to time constraint the agenda topics *Minutes & Recap from August 28th & 29th tours* and *Work plan* will be discussed at the end of the meeting.

PITTMAN-ROBERTSON FUNDING -- Adam Brooks, Federal Assistance & Compliance Bureau Chief, FWP

- 00:01:21 Mr. Brooks entertained questions from the committee.

Committee questions

- 00:02:13 Sen. Facey asked what type of building project limitations there are on the Pittman-Robertson (PR) fund.
- 00:03:42 Sen. Facey asked Mr. Brooks to comment on the increase on average funding in 2009-2013 ([Exhibit 1](#)).
- 00:05:18 Sen. Facey asked for the current fund balance available to the state and how fast the funding reimbursement process is.
- 00:06:31 Sen. Facey asked if there will be changes on how the funding is administered.
- 00:07:13 Rep. McCarthy asked if the PR funding could still be used if the facility is shared and if the lab study is currently funded by PR.
- 00:08:14 Rep. McCarthy asked for clarification on the use of the PR funds and asked Mr. Brooks to comment on the use of game wardens completing field necropsy.
- 00:13:33 Rep. Hamlett asked when the PR fund came into effect and when did the state get the use of the fund.
- 00:14:11 Rep. Hamlett asked if the funding has always been done through grants and if any of the grants are revisited after they have been started or completed.
- 00:18:22 Rep. Hamlett asked Mr. Brooks to comment on the fund audit.
- 00:21:03 Rep. Hamlett asked if an audit will research 25-50 years into the past.
- 00:22:44 Sen. Facey asked for clarification on the Dingle-Johnson fund use and how the fund can be used to purchase and conduct research on different types of animals.
- 00:24:41 Rep. Hamlett asked if the state can sell the property that has the fund loan on it and asked for clarification about refinancing the loan and property.
- 00:30:27 Rep. Hamlett asked Mr. Brooks to speak to the advantage of using the PR fund.
- 00:31:54 Rep. White asked for clarification of state fund eligibility (see Exhibit 1).
- 00:36:40 Rep. White asked if the PR funds can be designated for certain uses.
- 00:37:58 Rep. White asked Mr. Brooks to comment on property leasing with the PR fund.

SJR 14 -- Hope Stockwell, Research Analyst, LSD

- 00:40:59 Ms. Stockwell ([Exhibit 2](#)) and ([Exhibit 3](#))
- 00:50:18 Rep. White asked for an update on the accreditation process. The question was redirected to Ms. Albrecht.
- 00:51:03 Rep. White asked Ms. Albrecht if there had been a request for more time

00:51:20 regarding the accreditation process.
Ms. Stockwell continued her presentation ([Exhibit 4](#)).

Committee questions

00:54:27 Rep. McCarthy asked if there was discussion on the square footage of the concept lab.
00:54:50 Rep. McCarthy asked for clarification of the concept lab pricing.

PREVIOUS RESEARCH OVERVIEW -- Pat Murdo, Research Analyst, LSD

00:56:50 Ms. Murdo

VETERINARY DIAGNOSTIC LAB PERFORMANCE AUDIT REVIEW -- Angus MacIver, LAD

01:12:58 Mr. MacIver ([Exhibit 5](#))

Committee questions

01:24:36 Rep. White asked Mr. MacIver to provide information to the committee regarding Mr. Honeycutt's response and recommendations.
01:25:18 Sen. Facey asked if it is appropriate for labs to include the cost of the facility in their expenditures.
01:26:40 Sen. Facey asked for clarification on the enterprise system the lab uses. The question was redirected to Ms. Albrecht.
01:29:12 Rep. White asked for clarification of the state fee revenue and how it compares to surrounding states (see Exhibit 5) and asked about the lab revenue sources.
01:33:55 Rep. White asked if a large percentage of the testing in the vet lab comes from FWP, and if the payments from FWP to the vet lab are considered state funding or fee revenue.
01:35:01 Rep. McCarthy asked for clarification on the potential expense of building a lab.

PUBLIC COMMENT ON AGENDA ITEMS THUS FAR

None

LUNCH (Reconvened at 12:33 p.m.)

FLOOR PLANS & FUNCTIONS OF LABS -- Shauna Albrecht, Lead Staff

McCall Hall

02:10:38 Ms. Albrecht ([Exhibit 6](#))
02:13:10 Rep. White asked if there is a structural issue with the McCall Hall building. The question was redirected to Dan Stevenson, MSU.
02:16:30 Rep. Hamlett asked how MSU could utilize McCall Hall if it was vacated. The question was directed to Mr. Stevenson.
02:17:52 Rep. McCarthy asked what the O&M (operation and maintenance costs) are per square foot of McCall Hall. The question was directed to Tracy Ellig, MSU.
02:20:00 Rep. White asked if the lab would need to be remodeled or removed if a roundabout intersection was installed.

FWP Laboratory

02:20:59 Ms. Albrecht ([Exhibit 7](#))
02:23:02 Rep. White asked for the square footage price estimate on the lab.

Marsh Laboratory

02:24:07 Ms. Albrecht ([Exhibit 8](#))
02:26:12 Rep. White asked when the lab complex was built and if there were additions to the building. The question was redirected to Mr. Stevenson.
02:28:15 Rep. White asked for clarification on the floor plan.
02:29:16 Rep. Hamlett asked Mr. Stevenson if system replacement cost would be for a similar or equal building and asked if there is an estimate for new construction.
02:31:58 Rep. Hamlett asked if there can be efficiencies gained through new construction and if the public health and safety aspects would be better in the workplace.
02:35:07 Rep. White asked if the O&M rate on the Marsh Lab is above the average.
02:37:27 Sen. Facey asked if the ownership of the lab is split.

Wool Laboratory

02:38:59 Ms. Albrecht ([Exhibit 9](#))

OPERATING BUDGETS OF LABS -- Shauna Albrecht, Lead Staff

Analytical Laboratory

02:42:00 Ms. Albrecht ([Exhibit 10](#))
02:43:48 Rep. White asked for clarification of the general fund reduction in the years 2014 and 2015. The question was redirected to Libby Lovshin, Department of Agriculture.
02:45:23 Rep. McCarthy asked Ms. Lovshin for clarification of the federal funding in 2013 and 2014.
02:46:01 Ms. Albrecht alerted the committee members to the lab fees available in their handout (see Exhibit 10).
02:46:34 Rep. White asked if there is a break-out of fee support report and asked if the lab fees are competitively priced.

FWP Laboratory

02:47:21 Ms. Albrecht ([Exhibit 11](#))
02:48:20 Rep. White asked if the lab is not part of the general fund and asked who monitors the amount of state special revenue that goes to the lab.
02:49:25 Rep. White asked if the state special revenue fund increase in 2016 was due to HB 140: *Revise laws related to hunting and fishing licenses*.
02:49:51 Sen. Facey commented on the responsibility of the brucellosis testing and the fees associated with it.

Pulse Crop Diagnostic Laboratory

02:50:35 Ms. Albrecht ([Exhibit 12](#))
02:52:12 Rep. White asked if the operations cost difference between years 2016 and 2017 is due to equipment cost.
02:52:37 Rep. White asked if the lab is expecting high growth due to fee growth.
02:52:57 Sen. Facey commented on the growth on lentils.
02:53:18 Rep. Hamlett commented on the pulse crop testing in the state.
02:54:12 Ms. Albrecht commented on the pulse crop testing in surrounding states.

Seed and Wool Laboratories, and Montana Agriculture Experiment Station

02:54:59 Ms. Albrecht ([Exhibit 13](#)), ([Exhibit 14](#)), and ([Exhibit 15](#))
02:56:35 Rep. White asked if there are seed labs available in all other states and if the fee

could be compared.
02:57:05 Rep. White asked for clarification of the language 'OTO'. The question was redirected to Mr. Ellig.

Veterinary Diagnostic Laboratory

02:58:47 Ms. Albrecht ([Exhibit 16](#))
03:00:58 Rep. White commented on laboratory fees and the importance of fees being competitive with neighboring states.
03:01:52 Ms. Albrecht commented on the general fund jumps in 2016 and 2017.
03:02:18 Sen. Facey commented on the competitive fee pricing with neighboring states versus physical proximity and availability of the laboratories.

MINUTES & RECAP FROM AUGUST 28TH & 29TH TOURS

03:03:03 Rep. White commented on the minute log and tours on August 28th and 29th.

MOTION

03:03:40 Rep. McCarthy moved to approved the minute log from the August 28th and 29th laboratory tour.

VOTE

03:03:46 Motion passed unanimously.

WORK PLAN -- Shuana Albrecht, Lead Staff

03:03:50 Rep. White spoke on the committee's work plan ([Exhibit 17](#)) and asked Ms. Albrecht about scheduling a meeting date with the lab representatives.
03:06:06 Rep. White asked Marty Zaluski, Department of Livestock (DOL), when Dr. Chad Lee, DOL, will be retiring.
03:07:32 Committee discussion on meeting dates.
03:09:15 Rep. White commented on the final decision on meeting dates and asked the committee for any final comments or requests on meeting topics.
03:09:48 Sen. Facey asked that the committee produce proposals for the next session.
03:12:10 Rep. White responded to Sen. Facey's comments and spoke on the Fish, Wildlife and Parks facilities.
03:13:12 Rep. McCarthy made recommendations for the lab study.
03:17:10 Rep. White responded to Rep. McCarthy's comments and made recommendations to the lab study funding.
03:18:27 Rep. Hamlett requested that Ms. Albrecht and Mr. Stevenson calculate the cost of replacing the receiving, crematorium, and necropsy room at the Montana Agriculture Experiment Station.
03:21:01 Rep. White commented on the Wool Laboratory's location and workspace.
03:22:30 Sen. Facey recommended that the committee focus on how the state will pay for the lab study.
03:23:06 Rep. White spoke to the importance of the Wool Laboratory.
03:24:22 Ms. Albrecht asked the committee if they would like the work plan adjusted to incorporate the committee's outcome goals.

MOTION

03:24:47 Sen. Facey moved to accept the work plan with the caveat that staff summerize

today's meeting and incorporate the committee's goals.

VOTE

03:25:11 The motion passed unanimously on a voice vote.

03:25:51 Ms. Albrecht summarized the next meeting and asked the committee if they would like a tours of the fisheries.

03:26:20 Rep. White asked for a break down of the Dingle-Johnson funds for fisheries.

ADJOURNMENT

03:27:21 With no further business before the committee, Rep. White adjourned the meeting at 1:50 p.m.